GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:2165
ANSWERED ON:08.08.2005
PRODUCTION OF IRON ORE
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Will the Minister of STEEL be pleased to state:

(a) whether the Government has assessed the present production of Iron Ore;

(b) if so, the details thereof;

(c) the percentage of total production exported;

(d) the impact of exports on the domestic market; and

(e) the details of the policy in this regard?

Answer

MINISTER OF CHEMICALS & FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a)&(b): In a liberalized and deregulated environment, planning for production of iron ore is determined by the individual mining companies/steel plants operating captive mines, keeping in view the market demand and other related factors. In view of this, assessment of iron ore production is undertaken with the help of agencies like Indian Bureau of Mines (IBM), Federation of Indian Mineral Industries (FIMI) etc. The estimated production of iron ore for the year 2004-05 is 145 million tonnes.

(c) The percentage of total production exported is as follows:

(Qty. in Lakh tonnes)

Year	Production	Export	% production exported
2002-03	990.7	480.2	48.47
2003-04	1206.0	626.5	51.94
2004-05(E)	1450	781.5	53.89

(Source FIMI)

(d) Approximately 90% of the total exports of iron ore from India is in the form of fines and concentrates. This is because, whereas, fines and concentrates constitute 65% of iron ore production in India, domestic demand for fines is low due to inadequate capacity of sintering in steel plants and for pelletisation. This leads to large surpluses of fines making their export inevitable. As a large proportion of exports is in the form of fines, for which market in India does not exist, exports have not had any marked effect on availability of iron ore for domestic producers of iron and steel. Besides, almost all the integrated/large steel plants either have captive iron ore mines or have long term agreements for assured supply of iron ore and are thus not impacted by the exports of iron ore.

(e) The export policy for iron-ore is governed by the provisions of the Foreign Trade Policy, which is formulated and notified by the Director General of Foreign Trade. The present policy is valid from 1.4.2004 to 31.3.2009. The broad features are:

1. Export of iron ore with Fe content above 64% is canalized through MMTC. However exports of this grade of ore is allowed, on a case to case basis, against licenses.

2. Export of iron-ore of Goa origin, to certain specified countries, is freely allowed irrespective of Fe content. Like wise export of iron ore of Redi origin to all destinations

is freely allowed irrespective of Fe content.

3. Export of iron ore with Fe content upto 64% is allowed freely.

4. Quantitative ceilings are specified for export of high grade ore from Bailadila.